

## Enerkem raises funds for expansion, begins biofuel production in Edmonton



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Clean-tech company Enerkem Inc. has raised \$152.6-million for future expansion and is now at full scale in the production of biofuel from non-recyclable municipal garbage at its state-of-the-art facility in Edmonton.

Enerkem president and chief executive officer Vincent Chornet said on Wednesday the company has reached a “pivotal operational milestone” with the launch of commercial production of biomethanol at the Edmonton plant.

The plant’s proprietary chemical-based technology transforms massive amounts of garbage into methanol, which is then processed to make ethanol, a biofuel additive for gasoline.

“We are about to fundamentally transform the waste industry over the coming years and allow energy and chemical groups access to a new and competitive source of renewable carbon,” Mr. Chornet said.

There are significant growth opportunities in Europe, where authorities are running out of room for landfill sites and the incineration of waste is increasingly frowned upon, Mr. Chornet said in an interview. North America and China are other high-potential areas, he said.

Enerkem officially opened its Edmonton facility in the summer of 2014 but it had to go through commissioning and other procedures before getting up to full capacity.

It will eventually be able to produce 38 million litres of ethanol a year, spokeswoman Marie-Hélène Labrie said.

Construction of the methanol-to-ethanol conversion unit is expected to be completed over the next year and ethanol production is scheduled to begin in the second half of 2016, she said in an e-mail.

The latest financings are composed of a recently accessed \$29-million debt facility from Integrated Asset Management Corp.'s Private Debt Group, \$50-million in private placements from current investors and \$73.6-million of debt from two other, undisclosed, lenders, the company said Wednesday.

Existing investors are the Canadian subsidiary of U.S. giant Waste Management Inc., Rho Ventures, Braemar Energy Ventures, The Westly Group, Investissement Québec, Cycle Capital Management Inc., the Fonds de solidarité FTQ and Fondation CSN.

The Edmonton biofuels plant is the first of its kind in the world, Ms. Labrie said.

Enerkem also has commercial-scale operations at a site in Westbury, Que. and plans to build a new full-scale commercial facility in Varennes, Que., she said.

Last year, the company signed two deals for the construction of garbage-to-biofuel plants in China.

Mr. Chornet said that, so far, he's satisfied with Enerkem's status as a private company and that a public offering is "not a priority."

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